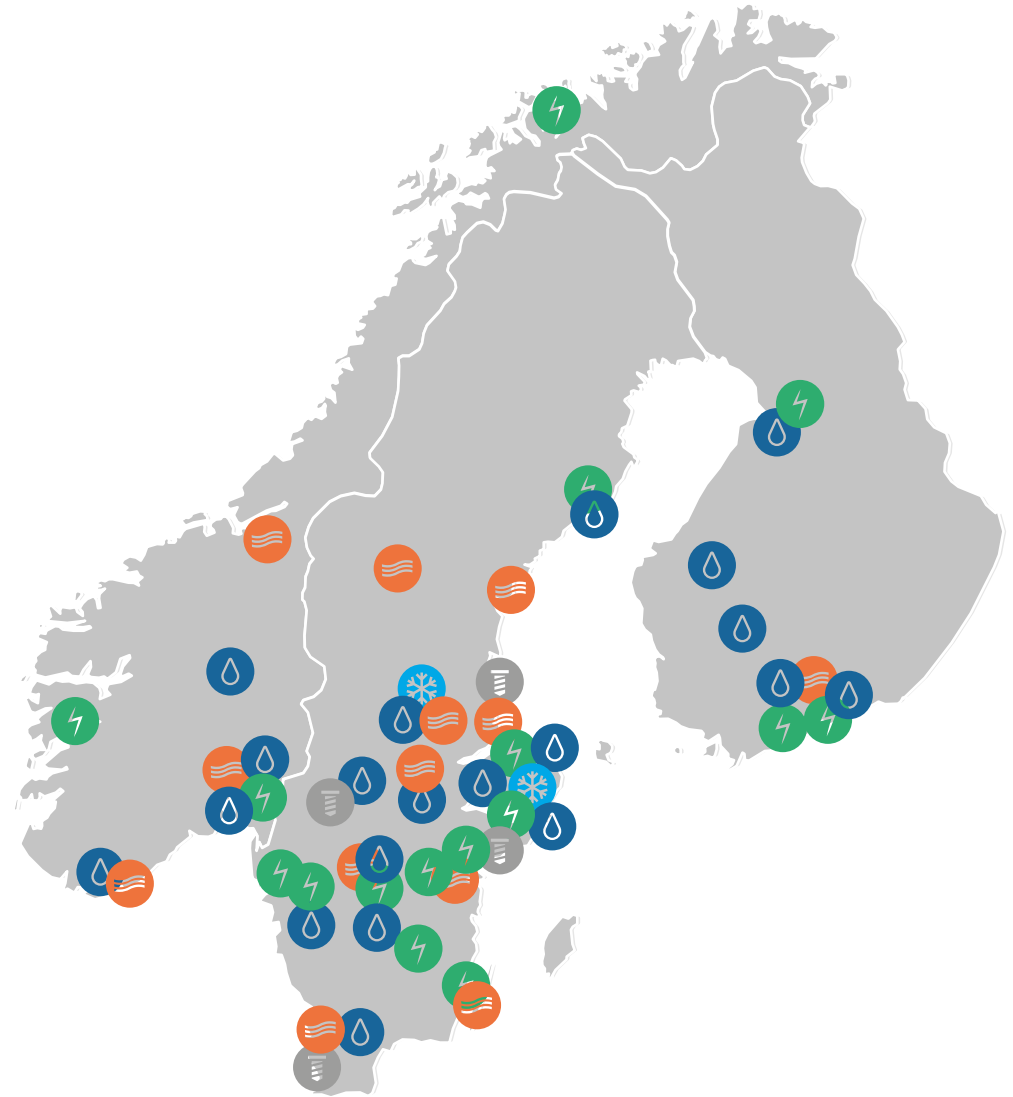


# Instalco Q2 presentation

25 August 2021

# This is Instalco

- A leading Nordic installation group within heating and plumbing, electrical, ventilation, cooling, industry and technical consulting
- 100 subsidiaries – highly specialised local companies
- 4 300 employees
- Highly decentralised structure
- Supported by a small central organisation
- Strong profitability with high margins over time



## Key financials, LTM

Net sales, million SEK

**7.973**

Adjusted EBITA, million SEK

**693**

No of employees (30 June)

**4,256**

Order backlog, million SEK

**6.610**

Adjusted EBITA margin, %

**8,7**

Acquired annual sales, million SEK

**1.517**

# Q2 2021 Highlights

- Strong quarter despite disturbances caused by the pandemic
- Net sales growth 33.9%
- High organic growth, 12.0%
- Segment Sweden strong – segment Rest of Nordic below desired level
- Ten acquisitions – strategic, opportunistic, add-on
- Expanding in the area of street lightning

## Key financials Q2 2021

Net sales

SEK **2,311** million

Adjusted EBITA

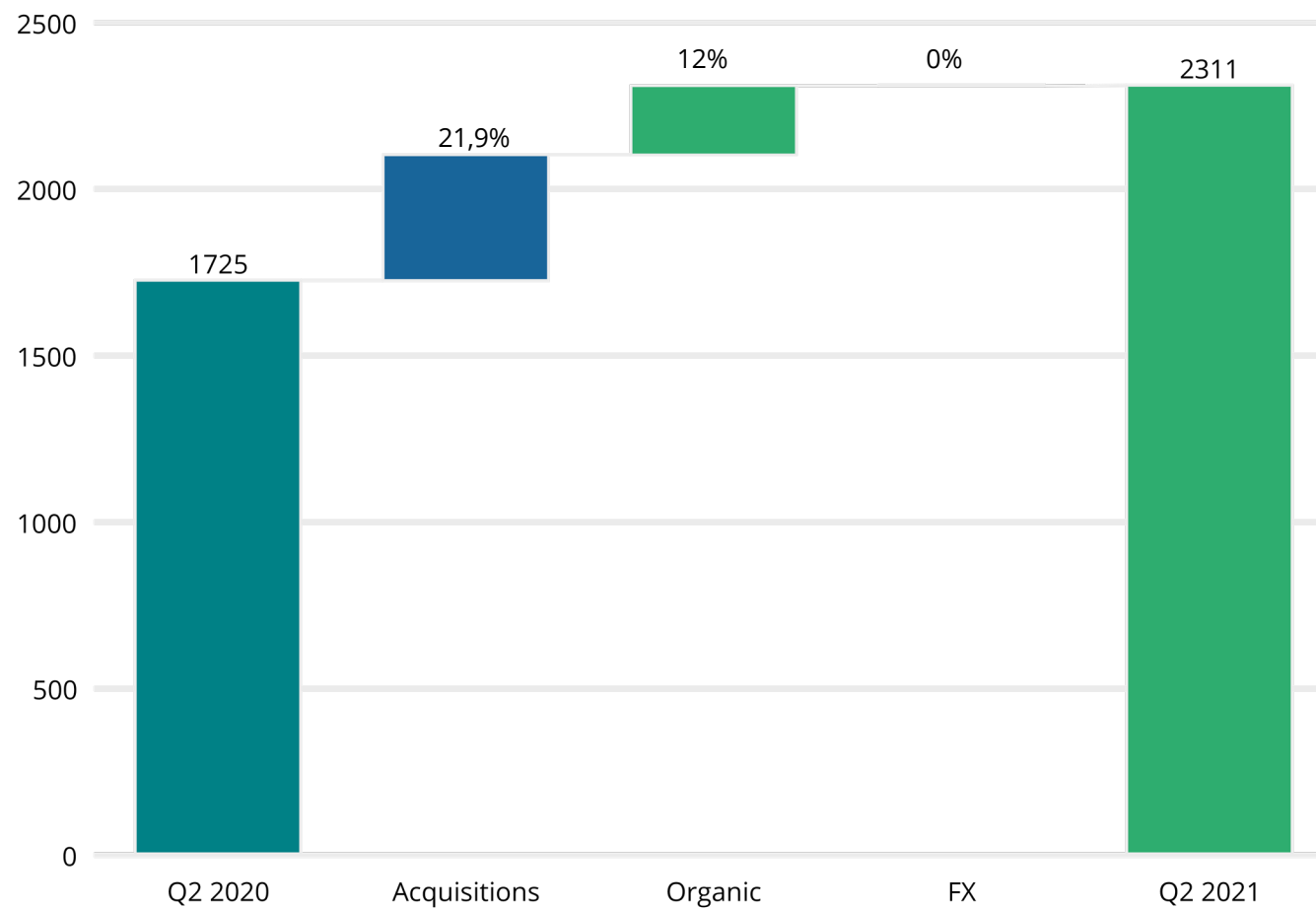
SEK **195** million

Adjusted EBITA margin

SEK **8.4** %

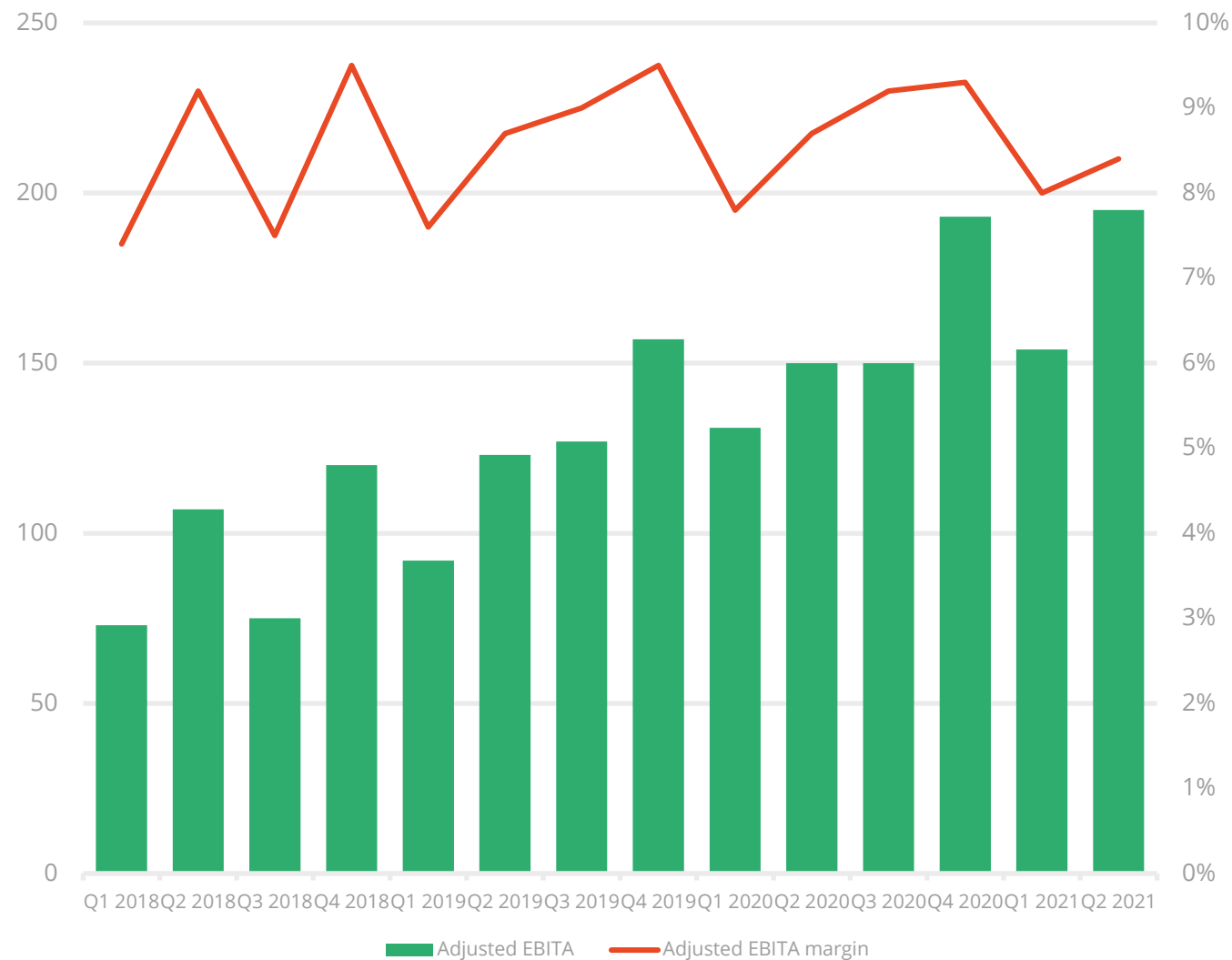
# Net sales

- Net sales growth (SEK million)



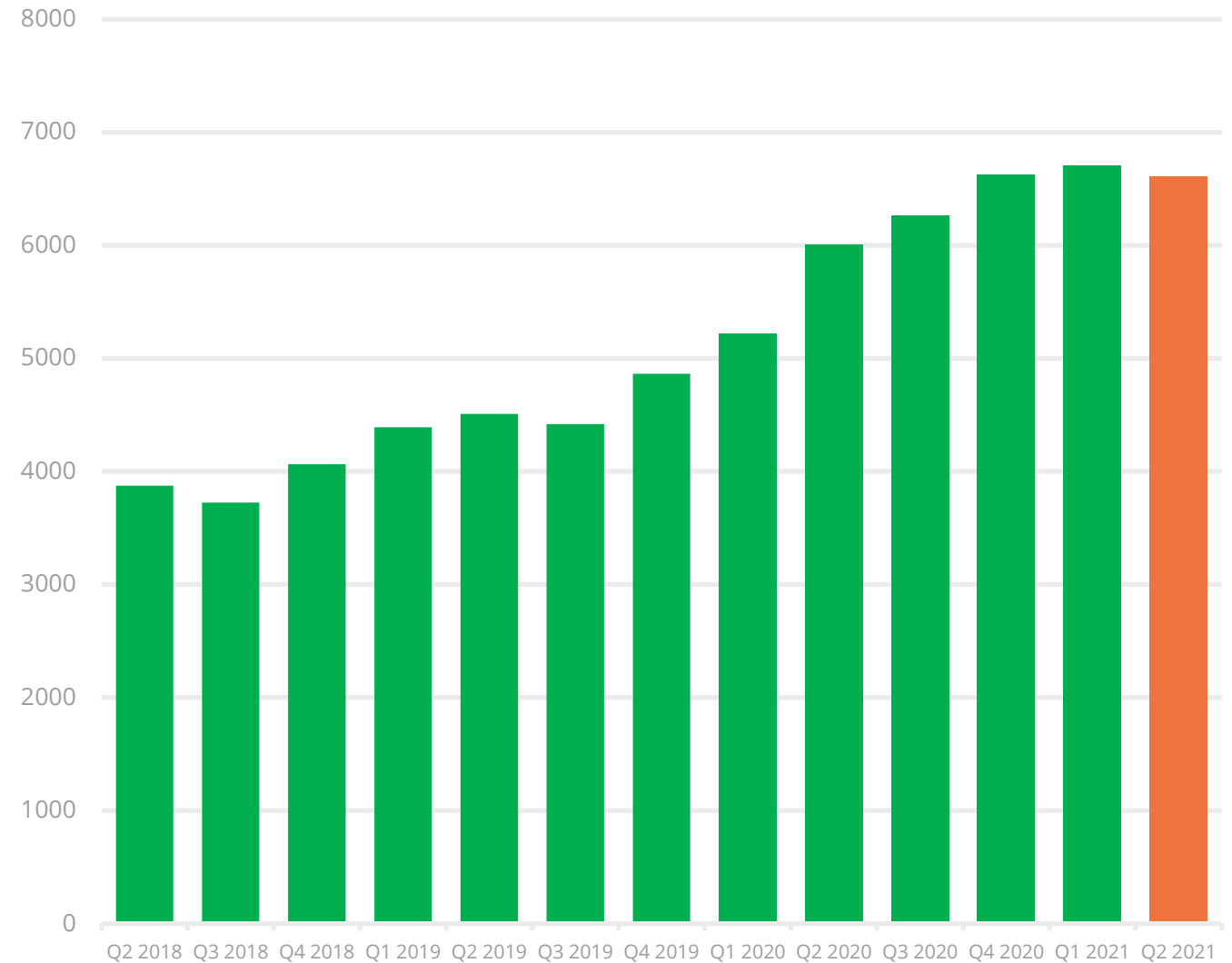
# EBITA

- Adj. EBITA (SEK million) and adj. EBITA margin (%)



# Order backlog

- Growth of 10.1% (compared with Q2 2020)
- Continued stable order backlog ratio of 0.83x (relative to 12 months rolling net sales)



# Segment development - Sweden

- Strong and solid results by the Swedish operations
- Stable demand for technical installations
- Organic growth 16.6%
- Net sales growth 39.4%

## Key financials Q2 2021

Net sales

SEK **1,825** million

EBITA

SEK **169** million

EBITA margin

**9.2** %

Order backlog

SEK **5,336** million



# Segment development – Rest of Nordic

- Net sales growth 16.6%
- Recovered after last quarter result
- Continued action plan for higher margins in Norway
- Still result below desired level - partly due to pandemic

## Key financials Q2 2021

Net sales

SEK **486** million

EBITA

SEK **25** million

EBITA margin

**5.2** %

Order backlog

SEK **1,274** million

# Acquisitions 2021

Acquisition	Discipline	Segment	Estimated yearly sales (SEKm)	Acquired
JB Elektro AS	Electrical	Rest of Nordic	40	Q1
Lincom AB	Electrical	Sweden	33	Q1
Nässjö Teknikprojektering AB	Technical consulting	Sweden	15	Q1
Stockholm Luftkompetens AB	Ventilation	Sweden	85	Q1
Kempes El AB	Electrical	Sweden	85	Q1
Inva Engineering AS	Heating & Plumbing	Rest of Nordic	6	Q2
Calmarsunds VVS AB	Heating & Plumbing	Sweden	26	Q2
Rörmokaren i Kolmården AB	Heating & Plumbing	Sweden	31	Q2
Lampans Einstallationer AB	Electrical	Sweden	55	Q2
Einstallationer i Karlshamn AB	Electrical	Sweden	40	Q2
KaVP och Karlskoga Tak AB	Ventilation	Sweden	30	Q2
Nordengen VVS AS	Heating & Plumbing	Rest of Nordic	13	Q2
PlanProj AB	Technical consulting	Sweden	17	Q2
Nihlén Elmontage AB	Electrical	Sweden	80	Q2
Industriprodukter AB	Electrical	Sweden	20	Q2
<b>Total</b>			<b>576</b>	

# Examples of acquired companies in Q2

## Nihlén, Gothenburg, Sweden

- Specialist in road and street lightning and charging stations
- Expanding area for Instalco
- Annual sales of approx. SEK 80 million

## Inva Engineering, Oslo, Norway

- Typical example of add on acquisition
- Strengthen Andersen og Aksnes in the area of energy optimisation
- Annual sales of approx. SEK 6 million

# Financial targets and dividend policy

Area	Target	Comment	Status
<b>Growth</b>	<ul style="list-style-type: none"><li>• Average sales growth should be at least 10% per year over a business cycle</li><li>• Growth will take place both organically and through acquisitions</li></ul>	25.0% YTD	✓
<b>Margin</b>	<ul style="list-style-type: none"><li>• Instalco aims to deliver an adjusted EBITA margin of 8.0%</li></ul>	8.2% YTD	✓
<b>Capital structure</b>	<ul style="list-style-type: none"><li>• Instalco's net debt in relation to adjusted EBITDA shall not exceed a ratio of 2.5</li></ul>	1.4x LTM	✓
<b>Cash conversion</b>	<ul style="list-style-type: none"><li>• Instalco aims to achieve a cash conversion ratio of 100%, measured over a rolling twelve-month period over a business cycle</li></ul>	97% LTM	✓
<b>Dividend policy</b>	<ul style="list-style-type: none"><li>• Instalco targets a dividend payout ratio of 30% of net profit</li></ul>	30% - 2.70 SEK/share	✓

# Examples of projects in Q2

## Rosersberg logistics Center, Sweden

- Ohmegi
- Electrical design and installation in 75 000 sqm
- Using successful model developed by sister company Elkontakt

## Road lightning project Tromsø, Norway

- JB Elektro
- Change of 1300 road lights in remote island area
- Energy saving project – LED and City Touch Control

## Högdalen metro depot Stockholm, Sweden

- Three Instalco companies
- Expanding metro depot for higher train capacity
- Electrical and Heating & Plumbing design and installation

# Summary

Strong quarter despite affected by pandemic

Ten acquisitions and strong pipeline



# Changes in the management team



# The Instalco model

Mature  
leadership







